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Lake Princeton Water Company

Application for Increase in Rates and Charges

Docket No. 2003-213-W

S. C. PUBLIC SERVICE COMMISSION
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UTILITIES DEPARTMENT

HEARING DATE

October 9, 2003

Testimony of
William O. Richardson
Utilities Department

Public Service Commission of South Carolina

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

2 A. William O. Richardson, 101 Executive Center Drive, Columbia, South Carolina
3 29210. I am employed by the Public Service Commission of South Carolina,
4 Utilities Department, as Chief of the Water and Wastewater Area.

5 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND**
6 **EXPERIENCE.**

7 A. I received a Bachelor of Science Degree in Electrical and Computer Engineering
8 from Clemson University in 1975. After graduation I was employed by Daniel
9 Construction Company as an Electrical Engineer in the Power Division. In
10 1978, I was employed by this Commission as an Engineer Associate II. In
11 December 2002, I was promoted to Chief of the Water and Wastewater Area.
12 I have attended various courses and seminars related to engineering, life
13 analysis and accounting relationships. I am a member of the Water
14 Environment Association of South Carolina, a member of the American Water
15 Works Association and a member of the NARUC Staff Subcommittee on Water.
16 I have testified before this Commission in other proceedings involving fuel
17 adjustment clauses, purchased gas adjustments, and rate case proceedings of
18 electric, water and wastewater utilities.

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
20 **PROCEEDING?**

21 A. The purpose of my testimony is to set forth, in summary form, the Staff's
22 findings relative to the determination of the amount of additional operating
23 revenues that would result from the implementation of the proposed
24 schedules of rates and charges.

25 **Q. I SHOW YOU THE REPORT, TITLED, "COMMISSION STAFF REPORT,**
26 **LAKE PRINCETON WATER COMPANY, SOUTH CAROLINA PUBLIC**
27 **SERVICE COMMISSION, DOCKET NO. 2003-213-W." ARE THE**
28 **FINDINGS OF YOUR REVIEW CONTAINED IN THIS REPORT?**

29 A. Yes, they are contained under the Utilities Department tab.
30

1 **Q. PLEASE EXPLAIN HOW YOU COMPILED THE INFORMATION IN YOUR**
2 **REPORT.**

3 A. By using the information provided by the Company in its Application and an
4 audit of the Company's books and records, Staff was able to determine the
5 amount of additional operating revenues which would be produced by the
6 proposed rates.

7 **Q. PLEASE EXPLAIN EXHIBIT NO. 1 OF YOUR REPORT.**

8 A. Exhibit No. 1, page 1, contains the currently approved rates and the
9 proposed rates.

10 **Q. PLEASE EXPLAIN EXHIBIT NO. 2 OF YOUR REPORT.**

11 A. Exhibit No. 2, on page 2 of the report summarizes the effect of the present
12 and proposed rates on the Company's operating revenue. Under the present
13 rates approved for the Company, the present revenue annualized is \$2,317.
14 Using the proposed rates and the test year commodity sales, the Company
15 would receive \$4,000, resulting in an increase of \$1,683 or an increase of
16 72.64%. Staff also furnished to the Audit Staff, rates required to produce the
17 required revenue for the alternate rates as shown in Audit Exhibit A-5.

18 **Q. PLEASE EXPLAIN EXHIBIT NO. 3 OF YOUR REPORT.**

19 A. Exhibit No. 3, on page 3, summarizes the effect of the proposed rates and
20 charges on a customer's monthly bill using a system average of 6,000 gallons
21 per month. The requested increase in a customer's water bill (using 6,000
22 gallons) will be \$12.75 or 73.91%. The current monthly charge for a
23 customer using 6,000 gallons per month is \$17.25. The proposed monthly
24 charge for 6,000 gallons is \$30.00.

25 **Q. PLEASE EXPLAIN EXHIBIT NO. 4 OF YOUR REPORT.**

26 A. Exhibit No. 4, on pages 4 and 5, is the Business Office Compliance Review
27 Report.

28 **Q. PLEASE EXPLAIN EXHIBIT NO. 5 OF YOUR REPORT.**

29 A. Exhibit No. 5 is a review of service provided by the Company and a water
30 system inspection report. Staff has recommended to the Company that flow

1 meters be installed on each source to be able to perform a water audit as
2 recommended in AWWA M36.

3 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

4 **A.** Yes it does.